

City of Annapolis

The City Council of the City of Annapolis desires to encourage the construction of quality nonresidential development projects within the City.

By implementing the Capital Facilities Fee Multi-Year Installment Payment Plan Program, the Council seeks to ease this barrier by deferring the time for payment of certain fees.

Please visit the City of Annapolis online at www.annapolis.gov.

City of Annapolis

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City of Annapolis

Capital Facilities Fee Multi-Year Installment Payment Program



The City of Annapolis offers an low-interest fee deferral program for commercial and industrial projects. Rather than requiring all of the Capital Facilities Payment to be paid at the time a building permit is issued, individuals may request approval to defer the payment of the fee. The deferral is intended as a temporary economic development tool, and as such, will expire on **June 30, 2018**.

Qualified Projects

Qualified projects must meet all of the characteristics mentioned below:

- ◆ Project is of commercial, retail and/or industrial nature; Residential developments ARE NOT eligible for this fee deferment program;
 - ◆ Project is located in the targeted revitalization areas; **OR** Project must be a LOCAL business and meet **ALL** of the following criteria:
1. The principal office/business is physically located within the Annapolis city limits with no other national headquarters outside the City of Annapolis;
 2. There are five or fewer branches or outlets of the business in total;
 3. The business is privately, employee, community, or cooperatively-owned (not publicly traded);
 4. The business pays for all of its own marketing, rent, and other business expenses without assistance from or payment to a corporate headquarters; and
 5. The decision-making authority is vested in the local owner and not subject to conditions dictated or required remotely.

Process Steps

If a development project meets the qualified project standards and a request for the payment plan has been received, the following process steps shall be followed:

1. The eligible applicant/property owner will provide an application, address of the property and application fee to the Department of Neighborhood and Environmental Programs.

2. A Local Business Affidavit should be provided to the Small/Minority Business Coordinator.
3. Once those items are received and approved the Office of Law will prepare an Agreement and lien to be signed by both the business/property owner to secure the principal and the interest of the total Capital Facility Fee due for the duration of the deferral is required.

COLLECTION OF PAYMENTS

- ◆ 40% of the total calculated fee will be paid at issuance of building permit.
- ◆ The remaining 60% will be paid in three (3) equal annual installments with total payment to be received not later than the third (3rd) anniversary of the deferral agreement.
- ◆ Department of Neighborhood and Environmental Programs (DNEP) collects the \$50.00 application fee, the initial 40% of total Capital Facilities fee calculated, accepts the signed Agreement, and forwards to the Finance Department.
- ◆ All subsequent annual fee payments are made to the Finance Office as stated in the fee Agreement.
- ◆ The City of Annapolis Finance Director or designee may annually invoice the installment payment.
- ◆ In the event that a payment is not received are deferred and shall accrue interest after the first twelve (12) months.
- ◆ Any balance owing on the agreement can be retired prior to the maturity date.
- ◆ Upon change of property ownership the entire balance will become due and payable.

PROCEDURE

1. Begin at the DNEP Counter at the time of initial permit application.
2. DNEP will calculate/determine the total CFF required of the project, based on the information in the building permit application.
3. If the applicant wishes to pursue applying for fee deferment, DNEP will:
 - a. Provide information about the Payment plan;
 - b. Advise that an agreement for deferment will have to be

executed with Law Office before a building permit can be issued. Advise that a \$50.00 non-refundable application fee and an initial payment of 40% of total CFF fee calculation are due upon completion of the payment plan application; and

c. Advise applicant that a lien will have to be executed before a building permit will be issued and this may cause a delay in their permit.

4. Upon receiving completed application and all fees the Small/Minority Business Coordinator (SMBE) will then determine if the applicant qualifies under the qualified deferral program criteria (see above). The SMBE will direct the applicant to have the contents of the Agreement package signed and notarized, and to return it along with the initial fees due to Finance Department and DNEP. Finance will sign off fee approval of permit and issue a receipt for payment.

5. Upon recording the lien, the Finance Department will administer the Agreement for payments, default, etc.

6. The Finance Department will prepare documents, which are necessary to recover the collateral documents upon complete repayment of the deferred amount.

- ◆ ***This is not an automatic fee deferment.***
- ◆ ***Fee deferments that are not requested at the time permits are issued will not be eligible for retroactive consideration for this incentive.***

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